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Chief Clerk of the House

**FILED** JAN 04 2007

H.B. No. 463

By: Flores

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of air conditioning and refrigeration  
contracting; providing an administrative penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1302.002, Occupations Code, is amended  
by adding Subdivisions (5-a), (5-b), and (17) to read as follows:

(5-a) "Air conditioning and refrigeration technician"  
means a person who assists a licensed air conditioning and  
refrigeration contractor in performing air conditioning and  
refrigeration maintenance work.

(5-b) "Certified technician" means a registered  
technician who has completed a certification examination.

(17) "Registered technician" means an air  
conditioning and refrigeration technician who is registered with  
the department.

SECTION 2. Section 1302.101, Occupations Code, is amended  
by adding Subsection (e) to read as follows:

(e) The department may examine any criminal conviction,  
guilty plea, or deferred adjudication of an applicant for issuance  
or renewal of a license, including by obtaining any criminal  
history record information permitted by law.

SECTION 3. Section 1302.263, Occupations Code, is amended  
to read as follows:

Sec. 1302.263. LIMITATION ON LICENSE HOLDER OR REGISTERED

1 TECHNICIAN. A person licensed under this chapter may not:

2           (1) perform or offer or attempt to perform an act,  
3 service, or function that is:

4            (A) [~~1~~] defined as the practice of engineering  
5 under Chapter 1001, unless the person holds a license under that  
6 chapter;

7            (B) [~~2~~] regulated under Chapter 113, Natural  
8 Resources Code, unless the person holds a license or is exempt by  
9 rule under that chapter; or

10           (C) [~~3~~] defined as plumbing under Chapter  
11 1301, unless the person holds a license under that chapter; or

12           (2) use the services of a person who is not a  
13 registered technician or a licensed air conditioning and  
14 refrigeration contractor to assist in the performance of air  
15 conditioning and refrigeration maintenance work.

16           SECTION 4. Section 1302.401(a), Occupations Code, is  
17 amended to read as follows:

18           (a) A person is subject to the denial of an application,  
19 imposition of an administrative penalty under Subchapter F, Chapter  
20 51, or disciplinary action under Section 51.353 if the person:

21            (1) violates this chapter or a rule adopted under this  
22 chapter; or

23            (2) violates [~~is convicted of an offense under~~] a  
24 municipal ordinance adopted under Section 1302.303.

25           SECTION 5. Section 1302.402, Occupations Code, is amended  
26 to read as follows:

27           Sec. 1302.402. ADMINISTRATIVE PROCEDURES. A proceeding for

1 the denial of a license or registration application or disciplinary  
2 action and an appeal from that proceeding are governed by Chapter  
3 2001, Government Code.

4 SECTION 6. Chapter 1302, Occupations Code, is amended by  
5 adding Subchapter K to read as follows:

6 SUBCHAPTER K. AIR CONDITIONING AND REFRIGERATION TECHNICIANS

7 Sec. 1302.501. REGISTRATION REQUIRED. (a) A person may  
8 not act or offer to act as an air conditioning and refrigeration  
9 technician unless the person is registered under this subchapter.

10 (b) A registration is valid throughout the state.

11 Sec. 1302.502. RULES. The executive director shall adopt  
12 rules:

13 (1) providing for the registration of technicians as  
14 prescribed by this subchapter;

15 (2) adopting standards of conduct for registered  
16 technicians and license holders under this subchapter; and

17 (3) establishing fees for issuance and renewal of a  
18 registration.

19 Sec. 1302.503. SUPERVISION REQUIREMENTS FOR REGISTRANTS.  
20 An air conditioning and refrigeration technician must be supervised  
21 by an air conditioning and refrigeration contractor licensed under  
22 this chapter.

23 Sec. 1302.504. APPLICATION; FEE. (a) An applicant for  
24 registration must submit an application on a form prescribed by the  
25 commission.

26 (b) The completed application must be accompanied by the  
27 application fee.

1       Sec. 1302.505. ISSUANCE AND TERM OF REGISTRATION. (a) On  
2 receipt of a completed application, the department shall register  
3 an applicant who meets the requirements of this subchapter.

4       (b) A registration is valid for one year from the date of  
5 issuance.

6       Sec. 1302.506. TEMPORARY REGISTRATION. (a) An applicant  
7 for registration may request a temporary registration. The  
8 executive director shall issue a temporary registration that  
9 expires on the 21st day after the date of issuance to an applicant  
10 who meets the qualifications for temporary registration.

11       (b) The commission shall adopt rules providing for the  
12 issuance of a temporary registration under this section, including  
13 the qualifications and fee required for the registration.

14       Sec. 1302.507. RENEWAL OF REGISTRATION. To renew a  
15 registration, a registered technician must:

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17 the executive director; and

18               (2) pay the required renewal fee.

19       Sec. 1302.508. CERTIFIED TECHNICIAN. A registered  
20 technician may be certified by the department and use the  
21 designation "certified technician" if the registered technician:

22               (1) completes an application for certification on a  
23 form prescribed by the executive director;

24               (2) pays the application fee; and

25               (3) provides the department with proof that the  
26 registered technician successfully completed a nationally  
27 recognized and administered certification examination or another

1 examination of equal or greater difficulty approved by the  
2 department.

3       SECTION 7. Not later than December 31, 2007, the Texas  
4 Commission of Licensing and Regulation shall adopt rules  
5 implementing Subchapter K, Chapter 1302, Occupations Code, as added  
6 by this Act.

7       SECTION 8. (a) Except as provided by Subsection (b) of  
8 this section, this Act takes effect September 1, 2007.

9       (b) Sections 1302.501 and 1302.503, Occupations Code, as  
10 added by this Act, take effect June 30, 2008.

# HOUSE COMMITTEE REPORT

07 MAR 30 AM 2:07  
HOUSE OF REPRESENTATIVES

1<sup>st</sup> Printing

By: Flores

H.B. No. 463

Substitute the following for H.B. No. 463:

By: Hamilton

C.S.H.B. No. 463

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22 (2) pays the application fee; and

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26 examination of equal or greater difficulty approved by the  
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1           SECTION 7. Not later than December 31, 2007, the Texas  
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4 by this Act.

5           SECTION 8. (a) Except as provided by Subsection (b) of this  
6 section, this Act takes effect September 1, 2007.

7           (b) Sections 1302.501 and 1302.503, Occupations Code, as  
8 added by this Act, take effect June 30, 2008.

# COMMITTEE REPORT

The Honorable Tom Craddick  
Speaker of the House of Representatives

March 20, 2007  
(date)

Sir:

We, your **COMMITTEE ON LICENSING AND ADMINISTRATIVE PROCEDURES**

to whom was referred HB 463 have had the same under consideration and beg to report back with the recommendation that it

☐ do pass, without amendment.

☐ do pass, with amendment(s).

☒ do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

☒ yes ☐ no A fiscal note was requested.

☐ yes ☒ no A criminal justice policy impact statement was requested.

☐ yes ☒ no An equalized educational funding impact statement was requested.

☐ yes ☒ no An actuarial analysis was requested.

☐ yes ☒ no A water development policy impact statement was requested.

☐ yes ☒ no A tax equity note was requested.

☒ The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.

For Senate Measures: House Sponsor \_\_\_\_\_

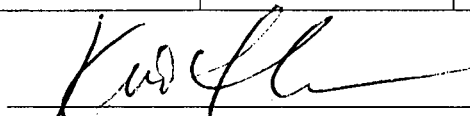
Joint Sponsors: \_\_\_\_\_

Co-Sponsors: \_\_\_\_\_

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Flores, Chair	X			
Geren, Vice-chair	X			
Isett, CBO				X
Goolsby				X
Hamilton				X
Jones, D.				X
Miles	X			
Thompson	X			
Quintanilla	X			

Total      5      aye  
                 0      nay  
                 0      present, not voting  
                 4      absent

  
CHAIR

## **BILL ANALYSIS**

C.S.H.B. 463

By: Flores

Licensing & Administrative Procedures  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Current law requires a person to have three years of experience in the heating, ventilation, air conditioning and refrigeration (HVACR) industry in order to qualify for a HVACR contractor license. However, there is no mechanism for the Texas Department of Licensing and Regulation (TDLR) to verify the length of time a technician has been engaged in the HVACR industry.

C.S.H.B. 463 requires air conditioning technicians to register annually with the TDLR. Technicians will receive an identification card noting their status as a registered HVACR technician. In addition, C.S.H.B. 463 requires the TDLR to conduct criminal background checks of all technicians who register, at the time of initial registration, and annually as registrations are renewed. This legislation will bring the HVACR industry more in line with the recognized structures of other trades such as plumbing and electrical contractors.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Department of Licensing & Regulation in SECTION 6 and SECTION 7 of this bill.

### **ANALYSIS**

SECTION 1. Amends Section 1302.002, Occupations Code, by adding Subdivisions (5-a), (5-b), and (17) to define "air conditioning and refrigeration technician," "certified technician," and "registered technician."

SECTION 2. Amends Section 1302.101, Occupations Code, by adding Subsection (e), to authorize the Texas Department of Licensing and Regulation to examine any criminal conviction, guilty plea, or deferred adjudication of an applicant for issuance or renewal of a license, including by obtaining any criminal history record information permitted by law.

SECTION 3. Amends Section 1302.263, Occupations Code, as follows:

Sec. 1302.263. New heading: LIMITATION ON LICENSE HOLDER OR REGISTERED TECHNICIAN. Adds subsection (1) and makes conforming changes. Adds new subsection (2) prohibits a person licensed under this chapter from using the services of a person who is not a registered technician or a licensed air conditioning and refrigeration contractor to assist in the performance of air conditioning and refrigeration maintenance work.

SECTION 4. Amends Section 1302.401(a), Occupations Code, to provide that a person is subject to the denial of an application, imposition of an administrative penalty under Subchapter F, Chapter 51, or disciplinary action under Section 51.353 if the person commits certain violations.

SECTION 5. Amends Section 1302.402, Occupations Code, to specify that a proceeding for the denial of a license or registration application or disciplinary action and an appeal from that proceeding are governed by Chapter 2001, Government Code.

SECTION 6. Amends Chapter 1302, Occupations Code, by adding Subchapter K, as follows:

C.S.H.B. 463 80(R)

1

## SUBCHAPTER K. AIR CONDITIONING AND REFRIGERATION TECHNICIANS

Sec. 1302.501. REGISTRATION REQUIRED. Prohibits a person from acting or offering to act as an air conditioning and refrigeration technician unless the person is registered under this subchapter. Provides that a certificate is valid throughout the state.

Sec. 1302.502. RULES. Requires the executive director of the Texas Department of Licensing and Regulation to adopt rules providing for the registration of technicians as prescribed by this subchapter, and establishing fees for issuance and renewal of a registration under this subchapter.

Sec. 1302.503. SUPERVISION REQUIREMENTS FOR REGISTRANTS. Requires an air conditioning and refrigeration technician to be supervised by an air conditioning and refrigeration contractor licensed under this chapter.

Sec. 1302.504. APPLICATION; FEE. (a) Requires an applicant for registration to submit an application on a form prescribed by the Texas Commission of Licensing and Regulation.

(b) Requires the completed application to be accompanied by an application fee.

Sec. 1302.505. ISSUANCE AND TERM OF REGISTRATION. (a) Requires the department, on receipt of a complete application, to register an applicant who meets the requirements of the subchapter.

(b) Provides that a registration is valid for one year.

Sec. 1302.506. TEMPORARY REGISTRATION. (a) Provides that an applicant for registration may request a temporary registration, and requires the executive director to issue to an applicant who meets the qualifications a temporary registration that expires on the 21<sup>st</sup> day after its date of issuance.

(b) Requires the commission to adopt rules providing for the issuance of a temporary registration, including the required qualifications and fee.

Sec. 1302.507. RENEWAL OF REGISTRATION. Requires a registered technician to complete certain steps in order to renew a registration.

Sec. 1302.508. CERTIFIED TECHNICIAN. Authorizes a registered technician to be certified by the department and use the designation "certified technician" if the registered technician meets certain requirements.

SECTION 7. Requires the commission to adopt rules implementing Subchapter K, Chapter 1302, Occupations Code, as added by this Act, not later than December 31, 2007.

SECTION 8. Effective date: September 1, 2007, except Sections 1302.501 and 1302.503, Occupations Code, which take effect June 30, 2008.

### **EFFECTIVE DATE**

September 1, 2007, except Sections 1302.501 and 1302.503, Occupations Code, which take effect June 30, 2008.

### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

C.S.H.B.463 deletes the requirement in Section 1302.502 that the executive director of the Texas Department of Licensing and Regulation adopt rules adopting standards of conduct for registered technicians and license holders under this subchapter.

C.S.H.B. 463 80(R)

## SUMMARY OF COMMITTEE ACTION

HB 463

March 20, 2007 10:30 AM or upon final adjourn./recess

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Considered in public hearing

Committee substitute considered in committee

Recommended to be sent to Local & Consent

Reported favorably as substituted

3  
—

WITNESS LIST

HB 463

HOUSE COMMITTEE REPORT

Licensing & Administrative Procedures Committee

March 20, 2007 - 10:30 AM or upon final adjourn./recess

Registering, but not testifying:

For: Nix, Tarin (Tx Asso. Against Sexual Assault)

- Committee Substitute (#1 by Hamilton)

Registering, but not testifying:

For: Anderson, Lisa (Lennox Industries)

Freeman, Harold (Texas Construction Association)

Johnson, Stan (Texas Air Conditioning Contractors Association)

Jones, Nancy (Associated Plumbing, Heating, Cooling Contractors of Texas)

Lowell, Monty (Associated Plumbing, Heating, Cooling Contractors of Texas)

On: Jewell, Michael (Direct Energy)

Kuntz, Jr., William H. (Texas Department of Licensing & Regulation)

**LEGISLATIVE BUDGET BOARD**  
Austin, Texas

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**March 23, 2007**

**TO:** Honorable Kino Flores, Chair, House Committee on Licensing & Administrative Procedures

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB463** by Flores (relating to the regulation of air conditioning and refrigeration contracting; providing an administrative penalty.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB463, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1	Probable Revenue Gain from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2007
2008	(\$755,576)	\$755,576	12.0
2009	(\$683,310)	\$683,310	12.0
2010	(\$683,865)	\$683,865	12.0
2011	(\$684,188)	\$684,188	12.0
2012	(\$684,070)	\$684,070	12.0

**Fiscal Analysis**

The bill would amend the Occupations Code to provide the Department of Licensing and Regulation (TDLR) the authority to register air conditioning and refrigeration technicians and certified air conditioning and refrigeration technicians and would allow TDLR the authority to provide temporary registrations. The bill would allow TDLR to impose an administrative penalty for certain violations.

The provisions of the bill require an application fee for a new and renewal air conditioning and refrigeration technician registration.

Other than the following sections, the bill takes effect September 1, 2007. Sections 1302.501 and



1302.503, Occupations Code, take effect June 30, 2008.

### **Methodology**

Based on information provided by the Department of Licensing and Regulation (TDLR), this analysis assumes that 34,920 air conditioning and refrigeration technicians would choose to register with TDLR and an additional 1,080 would choose to be registered as certified air conditioning and refrigeration technicians.

It is estimated that TDLR would have a cost associated with registering air conditioning and refrigeration technicians and certified air conditioning and refrigeration technicians. Based on the analysis of TDLR, it is assumed that registering these technicians and regulating this industry would necessitate additional resources at a cost of \$1,438,886 through 2009.

TDLR also estimates costs for staff of \$390,540 for 12.0 FTEs in FY08 through FY12. Other operating expenses, travel, equipment, rent - building, and consumable supplies are estimated at \$254,552 in FY08, \$182,286 in FY09, \$182,841 in FY10, \$183,164 in FY11, and \$183,046 in FY12. Estimated costs also include \$110,484 in FY08 through FY12 for associated benefits.

This analysis assumes that any increased costs resulting from this bill would be offset by an increase in fee generated revenue.

### **Technology**

There would be a technology cost to the Department of Licensing and Regulation of \$30,966 in fiscal year 2008, \$1,900 in fiscal year 2009, \$2,455 in fiscal year 2010, \$2,778 in fiscal year 2011, and \$2,660 in fiscal year 2012.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 452 Department of Licensing and Regulation

**LBB Staff:** JOB, JRO, MW, AH

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**March 19, 2007**

**TO:** Honorable Kino Flores, Chair, House Committee on Licensing & Administrative Procedures

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB463** by Flores (Relating to the regulation of air conditioning and refrigeration contracting; providing an administrative penalty.), **As Introduced**

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**LBB Staff:** JOB, JRO, MW, AH

ADOPTED

APR 13 2007

Robert Hancey  
Chief Clerk  
House of Representatives

By: Flores

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5 service, or function that is:

6 (A) ~~[+1]~~ defined as the practice of engineering  
7 under Chapter 1001, unless the person holds a license under that  
8 chapter;

9 (B) ~~[+2]~~ regulated under Chapter 113, Natural  
10 Resources Code, unless the person holds a license or is exempt  
11 by rule under that chapter; or

12 (C) ~~[+3]~~ defined as plumbing under Chapter  
13 1301, unless the person holds a license under that chapter; or

14 (2) use the services of a person who is not a  
15 registered technician or a licensed air conditioning and  
16 refrigeration contractor to assist in the performance of air  
17 conditioning and refrigeration maintenance work.

18 SECTION 4. Section 1302.401(a), Occupations Code, is  
19 amended to read as follows:

20 (a) A person is subject to the denial of an application,  
21 imposition of an administrative penalty under Subchapter F,  
22 Chapter 51, or disciplinary action under Section 51.353 if the  
23 person:

24 (1) violates this chapter or a rule adopted under  
25 this chapter; or

26 (2) violates ~~[is convicted of an offense under]~~ a

1 municipal ordinance adopted under Section 1302.303.

2 SECTION 5. Section 1302.402, Occupations Code, is amended  
3 to read as follows:

4 Sec. 1302.402. ADMINISTRATIVE PROCEDURES. A proceeding  
5 for the denial of a license or registration application or  
6 disciplinary action and an appeal from that proceeding are  
7 governed by Chapter 2001, Government Code.

8 SECTION 6. Chapter 1302, Occupations Code, is amended by  
9 adding Subchapter K to read as follows:

10 SUBCHAPTER K. AIR CONDITIONING AND REFRIGERATION TECHNICIANS

11 Sec. 1302.501. REGISTRATION REQUIRED. (a) A person may  
12 not act or offer to act as an air conditioning and refrigeration  
13 technician unless the person is registered under this  
14 subchapter.

15 (b) A registration is valid throughout the state.

16 Sec. 1302.502. RULES. The executive director shall adopt  
17 rules:

18 (1) providing for the registration of technicians as  
19 prescribed by this subchapter; and

20 (2) establishing fees for issuance and renewal of a  
21 registration.

22 Sec. 1302.503. SUPERVISION REQUIREMENTS FOR REGISTRANTS.  
23 An air conditioning and refrigeration technician must be  
24 supervised by an air conditioning and refrigeration contractor  
25 licensed under this chapter.

26 Sec. 1302.504. APPLICATION; FEE. (a) An applicant for

1 registration must submit an application on a form prescribed by  
2 the commission.

3 (b) The completed application must be accompanied by the  
4 application fee.

5 Sec. 1302.505. ISSUANCE AND TERM OF REGISTRATION. (a) On  
6 receipt of a completed application, the department shall  
7 register an applicant who meets the requirements of this  
8 subchapter.

9 (b) A registration is valid for one year from the date of  
10 issuance.

11 Sec. 1302.506. TEMPORARY REGISTRATION. (a) An applicant  
12 for registration may request a temporary registration. The  
13 executive director shall issue a temporary registration that  
14 expires on the 21st day after the date of issuance to an  
15 applicant who meets the qualifications for temporary  
16 registration.

17 (b) The commission shall adopt rules providing for the  
18 issuance of a temporary registration under this section,  
19 including the qualifications and fee required for the  
20 registration.

21 Sec. 1302.507. RENEWAL OF REGISTRATION. To renew a  
22 registration, a registered technician must:

23 (1) submit a renewal request on a form prescribed by  
24 the executive director; and

25 (2) pay the required renewal fee.

26 Sec. 1302.508. CERTIFIED TECHNICIAN. A registered

1 technician may be certified by the department and use the  
2 designation "certified technician" if the registered technician:

3 (1) completes an application for certification on a  
4 form prescribed by the executive director;

5 (2) pays the application fee; and

6 (3) provides the department with proof that the  
7 registered technician successfully completed a nationally  
8 recognized and administered certification examination or another  
9 examination of equal or greater difficulty approved by the  
10 department.

11 SECTION 7. Not later than December 31, 2007, the Texas  
12 Commission of Licensing and Regulation shall adopt rules  
13 implementing Subchapter K, Chapter 1302, Occupations Code, as  
14 added by this Act.

15 SECTION 8. (a) Except as provided by Subsection (b) of  
16 this section, this Act takes effect September 1, 2007.

17 (b) Sections 1302.501 and 1302.503, Occupations Code, as  
18 added by this Act, take effect June 30, 2008.



# HOUSE ENGROSSMENT

By: Flores

H.B. No. 463

## A BILL TO BE ENTITLED

### AN ACT

relating to the regulation of air conditioning and refrigeration  
contracting; providing an administrative penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1302.002, Occupations Code, is amended  
by adding Subdivisions (5-a), (5-b), and (17) to read as follows:

(5-a) "Air conditioning and refrigeration technician"  
means a person who assists a licensed air conditioning and  
refrigeration contractor in performing air conditioning and  
refrigeration maintenance work.

(5-b) "Certified technician" means a registered  
technician who has completed a certification examination.

(17) "Registered technician" means an air  
conditioning and refrigeration technician who is registered with  
the department.

SECTION 2. Section 1302.101, Occupations Code, is amended  
by adding Subsection (e) to read as follows:

(e) The department may examine any criminal conviction,  
guilty plea, or deferred adjudication of an applicant for issuance  
or renewal of a license, including by obtaining any criminal  
history record information permitted by law.

SECTION 3. Section 1302.263, Occupations Code, is amended  
to read as follows:

Sec. 1302.263. LIMITATION ON LICENSE HOLDER OR REGISTERED

1 TECHNICIAN. A person licensed under this chapter may not:

2           (1) perform or offer or attempt to perform an act,  
3 service, or function that is:

4           (A) [~~(1)~~] defined as the practice of engineering  
5 under Chapter 1001, unless the person holds a license under that  
6 chapter;

7           (B) [~~(2)~~] regulated under Chapter 113, Natural  
8 Resources Code, unless the person holds a license or is exempt by  
9 rule under that chapter; or

10           (C) [~~(3)~~] defined as plumbing under Chapter  
11 1301, unless the person holds a license under that chapter; or

12           (2) use the services of a person who is not a  
13 registered technician or a licensed air conditioning and  
14 refrigeration contractor to assist in the performance of air  
15 conditioning and refrigeration maintenance work.

16           SECTION 4. Section 1302.401(a), Occupations Code, is  
17 amended to read as follows:

18           (a) A person is subject to the denial of an application,  
19 imposition of an administrative penalty under Subchapter F, Chapter  
20 51, or disciplinary action under Section 51.353 if the person:

21           (1) violates this chapter or a rule adopted under this  
22 chapter; or

23           (2) violates [~~is convicted of an offense under~~] a  
24 municipal ordinance adopted under Section 1302.303.

25           SECTION 5. Section 1302.402, Occupations Code, is amended  
26 to read as follows:

27           Sec. 1302.402. ADMINISTRATIVE PROCEDURES. A proceeding for

1 the denial of a license or registration application or disciplinary  
2 action and an appeal from that proceeding are governed by Chapter  
3 2001, Government Code.

4 SECTION 6. Chapter 1302, Occupations Code, is amended by  
5 adding Subchapter K to read as follows:

6 SUBCHAPTER K. AIR CONDITIONING AND REFRIGERATION TECHNICIANS

7 Sec. 1302.501. REGISTRATION REQUIRED. (a) A person may not  
8 act or offer to act as an air conditioning and refrigeration  
9 technician unless the person is registered under this subchapter.

10 (b) A registration is valid throughout the state.

11 Sec. 1302.502. RULES. The executive director shall adopt  
12 rules:

13 (1) providing for the registration of technicians as  
14 prescribed by this subchapter; and

15 (2) establishing fees for issuance and renewal of a  
16 registration.

17 Sec. 1302.503. SUPERVISION REQUIREMENTS FOR REGISTRANTS.  
18 An air conditioning and refrigeration technician must be supervised  
19 by an air conditioning and refrigeration contractor licensed under  
20 this chapter.

21 Sec. 1302.504. APPLICATION; FEE. (a) An applicant for  
22 registration must submit an application on a form prescribed by the  
23 commission.

24 (b) The completed application must be accompanied by the  
25 application fee.

26 Sec. 1302.505. ISSUANCE AND TERM OF REGISTRATION. (a) On  
27 receipt of a completed application, the department shall register

1 an applicant who meets the requirements of this subchapter.

2 (b) A registration is valid for one year from the date of  
3 issuance.

4 Sec. 1302.506. TEMPORARY REGISTRATION. (a) An applicant  
5 for registration may request a temporary registration. The  
6 executive director shall issue a temporary registration that  
7 expires on the 21st day after the date of issuance to an applicant  
8 who meets the qualifications for temporary registration.

9 (b) The commission shall adopt rules providing for the  
10 issuance of a temporary registration under this section, including  
11 the qualifications and fee required for the registration.

12 Sec. 1302.507. RENEWAL OF REGISTRATION. To renew a  
13 registration, a registered technician must:

14 (1) submit a renewal request on a form prescribed by  
15 the executive director; and

16 (2) pay the required renewal fee.

17 Sec. 1302.508. CERTIFIED TECHNICIAN. A registered  
18 technician may be certified by the department and use the  
19 designation "certified technician" if the registered technician:

20 (1) completes an application for certification on a  
21 form prescribed by the executive director;

22 (2) pays the application fee; and

23 (3) provides the department with proof that the  
24 registered technician successfully completed a nationally  
25 recognized and administered certification examination or another  
26 examination of equal or greater difficulty approved by the  
27 department.

1       SECTION 7. Not later than December 31, 2007, the Texas  
2 Commission of Licensing and Regulation shall adopt rules  
3 implementing Subchapter K, Chapter 1302, Occupations Code, as added  
4 by this Act.

5       SECTION 8. (a) Except as provided by Subsection (b) of this  
6 section, this Act takes effect September 1, 2007.

7       (b) Sections 1302.501 and 1302.503, Occupations Code, as  
8 added by this Act, take effect June 30, 2008.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**March 23, 2007**

**TO:** Honorable Kino Flores, Chair, House Committee on Licensing & Administrative Procedures

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB463** by Flores (relating to the regulation of air conditioning and refrigeration contracting; providing an administrative penalty.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB463, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND I	Probable Revenue Gain from GENERAL REVENUE FUND I	Change in Number of State Employees from FY 2007
2008	(\$755,576)	\$755,576	12.0
2009	(\$683,310)	\$683,310	12.0
2010	(\$683,865)	\$683,865	12.0
2011	(\$684,188)	\$684,188	12.0
2012	(\$684,070)	\$684,070	12.0

**Fiscal Analysis**

The bill would amend the Occupations Code to provide the Department of Licensing and Regulation (TDLR) the authority to register air conditioning and refrigeration technicians and certified air conditioning and refrigeration technicians and would allow TDLR the authority to provide temporary registrations. The bill would allow TDLR to impose an administrative penalty for certain violations.

The provisions of the bill require an application fee for a new and renewal air conditioning and refrigeration technician registration.

Other than the following sections, the bill takes effect September 1, 2007. Sections 1302.501 and

1302.503, Occupations Code, take effect June 30, 2008.

### **Methodology**

Based on information provided by the Department of Licensing and Regulation (TDLR), this analysis assumes that 34,920 air conditioning and refrigeration technicians would choose to register with TDLR and an additional 1,080 would choose to be registered as certified air conditioning and refrigeration technicians.

It is estimated that TDLR would have a cost associated with registering air conditioning and refrigeration technicians and certified air conditioning and refrigeration technicians. Based on the analysis of TDLR, it is assumed that registering these technicians and regulating this industry would necessitate additional resources at a cost of \$1,438,886 through 2009.

TDLR also estimates costs for staff of \$390,540 for 12.0 FTEs in FY08 through FY12. Other operating expenses, travel, equipment, rent - building, and consumable supplies are estimated at \$254,552 in FY08, \$182,286 in FY09, \$182,841 in FY10, \$183,164 in FY11, and \$183,046 in FY12. Estimated costs also include \$110,484 in FY08 through FY12 for associated benefits.

This analysis assumes that any increased costs resulting from this bill would be offset by an increase in fee generated revenue.

### **Technology**

There would be a technology cost to the Department of Licensing and Regulation of \$30,966 in fiscal year 2008, \$1,900 in fiscal year 2009, \$2,455 in fiscal year 2010, \$2,778 in fiscal year 2011, and \$2,660 in fiscal year 2012.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 452 Department of Licensing and Regulation

**LBB Staff:** JOB, JRO, MW, AH

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**March 19, 2007**

**TO:** Honorable Kino Flores, Chair, House Committee on Licensing & Administrative Procedures

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB463** by Flores (Relating to the regulation of air conditioning and refrigeration contracting; providing an administrative penalty.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB463, As Introduced: an impact of \$0 through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable (Cost) from GENERAL REVENUE FUND 1</b>	<b>Probable Revenue Gain from GENERAL REVENUE FUND 1</b>	<b>Change in Number of State Employees from FY 2007</b>
2008	(\$755,576)	\$755,576	12.0
2009	(\$683,310)	\$683,310	12.0
2010	(\$683,865)	\$683,865	12.0
2011	(\$684,188)	\$684,188	12.0
2012	(\$684,070)	\$684,070	12.0

**Fiscal Analysis**

The bill would amend the Occupations Code to provide the Department of Licensing and Regulation (TDLR) the authority to register air conditioning and refrigeration technicians and certified air conditioning and refrigeration technicians and would allow TDLR the authority to provide temporary registrations. The bill would allow TDLR to impose an administrative penalty for certain violations.

The provisions of the bill require an application fee for a new and renewal air conditioning and refrigeration technician registration.

Other than the following sections, the bill takes effect September 1, 2007. Sections 1302.501 and



1302.503, Occupations Code, take effect June 30, 2008.

### **Methodology**

Based on information provided by the Department of Licensing and Regulation (TDLR), this analysis assumes that 34,920 air conditioning and refrigeration technicians would choose to register with TDLR and an additional 1,080 would choose to be registered as certified air conditioning and refrigeration technicians.

It is estimated that TDLR would have a cost associated with registering air conditioning and refrigeration technicians and certified air conditioning and refrigeration technicians. Based on the analysis of TDLR, it is assumed that registering these technicians and regulating this industry would necessitate additional resources at a cost of \$1,438,886 through 2009.

TDLR also estimates costs for staff of \$390,540 for 12.0 FTEs in FY08 through FY12. Other operating expenses, travel, equipment, rent - building, and consumable supplies are estimated at \$254,552 in FY08, \$182,286 in FY09, \$182,841 in FY10, \$183,164 in FY11, and \$183,046 in FY12. Estimated costs also include \$110,484 in FY08 through FY12 for associated benefits.

This analysis assumes that any increased costs resulting from this bill would be offset by an increase in fee generated revenue.

### **Technology**

There would be a technology cost to the Department of Licensing and Regulation of \$30,966 in fiscal year 2008, \$1,900 in fiscal year 2009, \$2,455 in fiscal year 2010, \$2,778 in fiscal year 2011, and \$2,660 in fiscal year 2012.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 452 Department of Licensing and Regulation

**LBB Staff:** JOB, JRO, MW, AH

By: Flores (Senate Sponsor - Carona) H.B. No. 463  
(In the Senate - Received from the House April 16, 2007;  
April 17, 2007, read first time and referred to Committee on  
Business and Commerce; May 14, 2007, reported adversely, with  
favorable Committee Substitute by the following vote: Yeas 7,  
Nays 0; May 14, 2007, sent to printer.)

COMMITTEE SUBSTITUTE FOR H.B. No. 463

By: Harris

A BILL TO BE ENTITLED  
AN ACT

relating to the regulation of air conditioning and refrigeration  
contracting; providing an administrative penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1302.002, Occupations Code, is amended  
by adding Subdivisions (5-a), (5-b), and (17) to read as follows:

(5-a) "Air conditioning and refrigeration technician"  
means a person who assists a licensed air conditioning and  
refrigeration contractor in performing air conditioning and  
refrigeration maintenance work.

(5-b) "Certified technician" means a registered  
technician who has completed a certification examination.

(17) "Registered technician" means an air  
conditioning and refrigeration technician who is registered with  
the department.

SECTION 2. Section 1302.062, Occupations Code, is amended  
to read as follows:

Sec. 1302.062. NO LICENSE REQUIRED FOR CERTAIN  
ASSISTANTS. (a) A person is not required to hold a license if the  
person assists in air conditioning and refrigeration contracting  
under the supervision of a license holder.

(b) The exemption under this section does not apply to a  
person who assists a licensed air conditioning and refrigeration  
contractor in performing air conditioning and refrigeration  
maintenance work.

SECTION 3. Section 1302.101, Occupations Code, is amended  
by adding Subsection (e) to read as follows:

(e) The department may examine any criminal conviction,  
guilty plea, or deferred adjudication of an applicant for issuance  
or renewal of a license, including by obtaining any criminal  
history record information permitted by law.

SECTION 4. Section 1302.263, Occupations Code, is amended  
to read as follows:

Sec. 1302.263. LIMITATION ON LICENSE HOLDER OR REGISTERED  
TECHNICIAN. A person licensed under this chapter may not:

(1) perform or offer or attempt to perform an act,  
service, or function that is:

(A) ~~[(1)]~~ defined as the practice of engineering  
under Chapter 1001, unless the person holds a license under that  
chapter;

(B) ~~[(2)]~~ regulated under Chapter 113, Natural  
Resources Code, unless the person holds a license or is exempt by  
rule under that chapter; or

(C) ~~[(3)]~~ defined as plumbing under Chapter  
1301, unless the person holds a license under that chapter; or

(2) use the services of a person who is not a  
registered technician or a licensed air conditioning and  
refrigeration contractor to assist in the performance of air  
conditioning and refrigeration maintenance work.

SECTION 5. Section 1302.401(a), Occupations Code, is  
amended to read as follows:

(a) A person is subject to the denial of an application,  
imposition of an administrative penalty under Subchapter F, Chapter  
51, or disciplinary action under Section 51.353 if the person:

(1) violates this chapter or a rule adopted under this

chapter; or

(2) violates [is convicted of an offense under] a municipal ordinance adopted under Section 1302.303.

SECTION 6. Section 1302.402, Occupations Code, is amended to read as follows:

Sec. 1302.402. ADMINISTRATIVE PROCEDURES. A proceeding for the denial of a license or registration application or disciplinary action and an appeal from that proceeding are governed by Chapter 2001, Government Code.

SECTION 7. Chapter 1302, Occupations Code, is amended by adding Subchapter K to read as follows:

SUBCHAPTER K. AIR CONDITIONING AND REFRIGERATION TECHNICIANS

Sec. 1302.501. REGISTRATION REQUIRED. (a) A person may not act or offer to act as an air conditioning and refrigeration technician unless the person is registered under this subchapter.

(b) A registration is valid throughout the state.

Sec. 1302.502. RULES. The commission shall adopt rules:

(1) providing for the registration of technicians as prescribed by this subchapter; and

(2) establishing fees for issuance and renewal of a registration.

Sec. 1302.503. SUPERVISION REQUIREMENTS FOR REGISTRANTS. An air conditioning and refrigeration technician must be supervised by an air conditioning and refrigeration contractor licensed under this chapter.

Sec. 1302.504. APPLICATION; FEE. (a) An applicant for registration must submit an application on a form prescribed by the commission.

(b) The completed application must be accompanied by the application fee.

Sec. 1302.505. ISSUANCE AND TERM OF REGISTRATION. (a) On receipt of a completed application, the department shall register an applicant who meets the requirements of this subchapter.

(b) A registration is valid for one year from the date of issuance.

Sec. 1302.506. TEMPORARY REGISTRATION. (a) An applicant for registration may request a temporary registration. The executive director shall issue a temporary registration that expires on the 10th day after the date of issuance to an applicant who meets the qualifications for temporary registration.

(b) The commission shall adopt rules providing for the issuance of a temporary registration under this section, including the qualifications and fee required for the registration.

Sec. 1302.507. RENEWAL OF REGISTRATION. To renew a registration, a registered technician must:

(1) submit a renewal request on a form prescribed by the executive director; and

(2) pay the required renewal fee.

Sec. 1302.508. CERTIFIED TECHNICIAN. A registered technician may be certified by the department and use the designation "certified technician" if the registered technician:

(1) completes an application for certification on a form prescribed by the executive director;

(2) pays the application fee; and

(3) provides the department with proof that the registered technician successfully completed a nationally recognized and administered certification examination or another examination of equal or greater difficulty approved by the department.

SECTION 8. Not later than December 31, 2007, the Texas Commission of Licensing and Regulation shall adopt rules implementing Subchapter K, Chapter 1302, Occupations Code, as added by this Act.

SECTION 9. (a) Except as provided by Subsection (b) of this section, this Act takes effect September 1, 2007.

(b) Section 1302.062, Occupations Code, as amended by this Act, and Sections 1302.501 and 1302.503, Occupations Code, as added by this Act, take effect June 30, 2008.

\* \* \* \* \*

FAVORABLY AS SUBSTITUTED  
SENATE COMMITTEE REPORT ON

SB

SCR

SJR

SR

HB

HCR

HJR

463

By

Flores/Carona  
(Author/Senate Sponsor)

5/14/07  
(date)

We, your Committee on BUSINESS AND COMMERCE, to which was referred the attached measure,  
have on 5/10/07, had the same under consideration and I am instructed to report it  
(date of hearing)  
back with the recommendation (s) that it:

- ☒ do pass as substituted, and be printed  
☒ the caption remained the same as original measure  
☐ the caption changed with adoption of the substitute

☐ do pass as substituted, and be ordered not printed

☒ and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. ☒ yes ☐ no

A revised fiscal note was requested. ☒ yes ☐ no

Considered by subcommittee. ☐ yes ☒ no

The measure was reported from Committee by the following vote:

	YEA	NAY	ABSENT	PNV
Senator Troy Fraser, Chairman	<input checked="" type="checkbox"/>			
Senator Chris Harris, Vice-Chairman	<input checked="" type="checkbox"/>			
Senator Kip Averitt			<input checked="" type="checkbox"/>	
Senator Kevin Eltife			<input checked="" type="checkbox"/>	
Senator Craig Estes	<input checked="" type="checkbox"/>			
Senator Kyle Janek	<input checked="" type="checkbox"/>			
Senator Eddie Lucio	<input checked="" type="checkbox"/>			
Senator Leticia Van de Putte	<input checked="" type="checkbox"/>			
Senator Kirk Watson	<input checked="" type="checkbox"/>			
TOTAL VOTES	<u>7</u>		<u>2</u>	

COMMITTEE ACTION

S260 Considered in public hearing

S270 Testimony taken

Yates Reagan  
COMMITTEE CLERK

277m  
CHAIRMAN

Paper clip the original and one copy of this signed form to the original bill along with TWO copies of the Committee Substitute  
Retain one copy of this form for Committee files

WITNESS LIST

HB 463

Senate Committee Report

Business & Commerce

May 10, 2007 - 9:00 AM

ON:

Kuntz, Jr., William H. (Texas Department of Licensing and Regulation), Austin, TX

Registering, but not testifying:

For:

Coody, John (Pipe Fitters Local 211), Houston, TX

Cunningham, Michael (Texas Building and Construction Trades Council, AFL-CIO),  
Austin, TX

Freeman, Harold (Texas Construction Association), Austin, TX

Jones, Nancy (Associated Plumbing, Heating, Cooling Contractors of Texas), Austin, TX

Noble, Shannon (Texas Air Conditioning Contractors Association), Austin, TX

Reynolds, Jim (Mechanical Contractors Association of Austin), Austin, TX

Shelton, Russell C. (Texas Pipetrades Association), Austin, TX

## **BILL ANALYSIS**

Senate Research Center  
80R20079 BEF-F

C.S.H.B. 463  
By: Flores (Carona)  
Business & Commerce  
5/12/2007  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Current law requires a person to have three years of experience in the heating, ventilation, air conditioning, and refrigeration (HVACR) industry in order to qualify for an HVACR contractor license. However, there is no mechanism for the Texas Department of Licensing and Regulation (TDLR) to verify the length of time a technician has been engaged in the HVACR industry.

C.S.H.B. 463 requires air conditioning technicians to register annually with TDLR. Technicians will receive an identification card noting their status as a registered HVACR technician. This bill requires TDLR to conduct criminal background checks of all technicians who register, at the time of initial registration, and annually as registrations are renewed. This bill will bring the HVACR industry more in line with the recognized structures of other trades such as plumbing and electrical contractors.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Commission of Licensing and Regulation in SECTION 7 (Sections 1302.502 and 1302.506, Occupations Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 1302.002, Occupations Code, by adding Subdivisions (5-a), (5-b), and (17) to define "air conditioning and refrigeration technician," "certified technician," and "registered technician."

SECTION 2. Amends Section 1302.062, Occupations Code, as follows:

Sec. 1302.062. NO LICENSE REQUIRED FOR CERTAIN ASSISTANTS. (a) Creates this subsection from existing text.

(b) Provides that the exemption under this section (providing that a person who assists in air conditioning and refrigeration contracting under the supervision of a license holder is not required to hold a license) does not apply to a person who assists a licensed air conditioning and refrigeration contractor in performing air conditioning and refrigeration maintenance work.

SECTION 3. Amends Section 1302.101, Occupations Code, by adding Subsection (e), to authorize the Texas Department of Licensing and Regulation (TDLR) to examine any criminal conviction, guilty plea, or deferred adjudication of an applicant for issuance or renewal of a license, including by obtaining any criminal history record information permitted by law.

SECTION 4. Amends Section 1302.263, Occupations Code, as follows:

Sec. 1302.263. New heading: LIMITATION ON LICENSE HOLDER OR REGISTERED TECHNICIAN. Prohibits a person licensed under this chapter (Air Conditioning and Refrigeration Contractors) from using the services of a person who is not a registered technician or a licensed air conditioning and refrigeration contractor (contractor) to assist in the performance of air conditioning and refrigeration maintenance work.

SECTION 5. Amends Section 1302.401(a), Occupations Code, to provide that a person is subject to the denial of an application, imposition of an administrative penalty under Subchapter F (Administrative Penalty), Chapter 51, or disciplinary action under Section 51.353 (Administrative Sanctions) if the person violates this chapter, a rule adopted under this chapter, or a municipal ordinance adopted under Section 1302.303 (Municipal Air Conditioning and Refrigeration).

SECTION 6. Amends Section 1302.402, Occupations Code, to provide that a proceeding for the denial of a license or registration application or disciplinary action and an appeal from that proceeding are governed by Chapter 2001 (Administrative Procedure), Government Code.

SECTION 7. Amends Chapter 1302, Occupations Code, by adding Subchapter K, as follows:

#### **SUBCHAPTER K. AIR CONDITIONING AND REFRIGERATION TECHNICIANS**

Sec. 1302.501. **REGISTRATION REQUIRED.** (a) Prohibits a person from acting or offering to act as an air conditioning and refrigeration technician (technician) unless the person is registered under this subchapter.

(b) Provides that a registration is valid throughout the state.

Sec. 1302.502. **RULES.** Requires the Texas Commission of Licensing and Regulation (commission) to adopt rules to provide for technician registration and to establish fees for registration.

Sec. 1302.503. **SUPERVISION REQUIREMENTS FOR REGISTRANTS.** Requires a technician to be supervised by a contractor licensed under this chapter.

Sec. 1302.504. **APPLICATION; FEE.** (a) Requires an applicant to submit an application on a form prescribed by the commission.

(b) Requires the completed application to be accompanied by the application fee.

Sec. 1302.505. **ISSUANCE AND TERM OF REGISTRATION.** (a) Requires TDLR, on receipt of a completed application, to register an applicant who meets the requirements of this subchapter.

(b) Provides that a registration is valid for one year from the date of issuance.

Sec. 1302.506. **TEMPORARY REGISTRATION.** (a) Authorizes an applicant to request a temporary registration. Requires the executive director of TDLR (executive director) to issue a temporary registration that expires on the 10th day after the date of issuance to an applicant who meets the qualifications for temporary registration.

(b) Requires the commission to adopt rules providing for the issuance of a temporary registration under this section, including the qualifications and fee required for the registration.

Sec. 1302.507. **RENEWAL OF REGISTRATION.** Requires a technician to submit a renewal request to the executive director on a specific form and to pay the required renewal fee in order to renew a registration.

Sec. 1302.508. **CERTIFIED TECHNICIAN.** Authorizes a technician to be certified by TDLR and use the designation "certified technician" once certain steps are followed.

SECTION 8. Requires the commission to adopt rules implementing Subchapter K, Chapter 1302, Occupations Code, as added by this Act, not later than December 31, 2007.

SECTION 9. (a) Effective date, except as provided by Subsection (b) of this section: September 1, 2007.

(b) Effective date, Section 1302.062, Occupations Code, as amended by this Act, and Sections 1302.501 and 1302.503, Occupations Code, as added by this Act: June 30, 2008.



**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 11, 2007**

**TO:** Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB463** by Flores (Relating to the regulation of air conditioning and refrigeration contracting; providing an administrative penalty. ), **Committee Report 2nd House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB463, Committee Report 2nd House, Substituted: an impact of \$0 through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable (Cost) from GENERAL REVENUE FUND 1</b>	<b>Probable Revenue Gain from GENERAL REVENUE FUND 1</b>	<b>Change in Number of State Employees from FY 2007</b>
2008	(\$755,576)	\$755,576	12.0
2009	(\$683,310)	\$683,310	12.0
2010	(\$683,865)	\$683,865	12.0
2011	(\$684,188)	\$684,188	12.0
2012	(\$684,070)	\$684,070	12.0

**Fiscal Analysis**

The bill would amend the Occupations Code to provide the Department of Licensing and Regulation (TDLR) the authority to register air conditioning and refrigeration technicians and certified air conditioning and refrigeration technicians and would allow TDLR the authority to provide temporary registrations. The bill would allow TDLR to impose an administrative penalty for certain violations.

The provisions of the bill require an application fee for a new and renewal air conditioning and refrigeration technician registration.

Other than the following sections, the bill takes effect September 1, 2007. Sections 1302.062,

1302.501 and 1302.503, Occupations Code, take effect June 30, 2008.

### **Methodology**

Based on information provided by the Department of Licensing and Regulation (TDLR), this analysis assumes that 34,920 air conditioning and refrigeration technicians would choose to register with TDLR and an additional 1,080 would choose to be registered as certified air conditioning and refrigeration technicians.

It is estimated that TDLR would have a cost associated with registering air conditioning and refrigeration technicians and certified air conditioning and refrigeration technicians. Based on the analysis of TDLR, it is assumed that registering these technicians and regulating this industry would necessitate additional resources at a cost of \$1,438,886 through 2009.

TDLR also estimates costs for staff of \$390,540 for 12.0 FTEs in FY08 through FY12. Other operating expenses, travel, equipment, rent - building, and consumable supplies are estimated at \$254,552 in FY08, \$182,286 in FY09, \$182,841 in FY10, \$183,164 in FY11, and \$183,046 in FY12. Estimated costs also include \$110,484 in FY08 through FY12 for associated benefits.

This analysis assumes that any increased costs resulting from this bill would be offset by an increase in fee generated revenue.

### **Technology**

There would be a technology cost to the Department of Licensing and Regulation of \$30,966 in fiscal year 2008, \$1,900 in fiscal year 2009, \$2,455 in fiscal year 2010, \$2,778 in fiscal year 2011, and \$2,660 in fiscal year 2012.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 452 Department of Licensing and Regulation

**LBB Staff:** JOB, CL, JRO, MW, AH

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 19, 2007**

**TO:** Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB463** by Flores (Relating to the regulation of air conditioning and refrigeration contracting; providing an administrative penalty.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds for HB463, As Engrossed:** an impact of \$0 through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable (Cost) from GENERAL REVENUE FUND 1</b>	<b>Probable Revenue Gain from GENERAL REVENUE FUND 1</b>	<b>Change in Number of State Employees from FY 2007</b>
2008	(\$755,576)	\$755,576	12.0
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2010	(\$683,865)	\$683,865	12.0
2011	(\$684,188)	\$684,188	12.0
2012	(\$684,070)	\$684,070	12.0

**Fiscal Analysis**

The bill would amend the Occupations Code to provide the Department of Licensing and Regulation (TDLR) the authority to register air conditioning and refrigeration technicians and certified air conditioning and refrigeration technicians and would allow TDLR the authority to provide temporary registrations. The bill would allow TDLR to impose an administrative penalty for certain violations.

The provisions of the bill require an application fee for a new and renewal air conditioning and refrigeration technician registration.

Other than the following sections, the bill takes effect September 1, 2007. Sections 1302.501 and

1302.503, Occupations Code, take effect June 30, 2008.

### **Methodology**

Based on information provided by the Department of Licensing and Regulation (TDLR), this analysis assumes that 34,920 air conditioning and refrigeration technicians would choose to register with TDLR and an additional 1,080 would choose to be registered as certified air conditioning and refrigeration technicians.

It is estimated that TDLR would have a cost associated with registering air conditioning and refrigeration technicians and certified air conditioning and refrigeration technicians. Based on the analysis of TDLR, it is assumed that registering these technicians and regulating this industry would necessitate additional resources at a cost of \$1,438,886 through 2009.

TDLR also estimates costs for staff of \$390,540 for 12.0 FTEs in FY08 through FY12. Other operating expenses, travel, equipment, rent - building, and consumable supplies are estimated at \$254,552 in FY08, \$182,286 in FY09, \$182,841 in FY10, \$183,164 in FY11, and \$183,046 in FY12. Estimated costs also include \$110,484 in FY08 through FY12 for associated benefits.

This analysis assumes that any increased costs resulting from this bill would be offset by an increase in fee generated revenue.

### **Technology**

There would be a technology cost to the Department of Licensing and Regulation of \$30,966 in fiscal year 2008, \$1,900 in fiscal year 2009, \$2,455 in fiscal year 2010, \$2,778 in fiscal year 2011, and \$2,660 in fiscal year 2012.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 452 Department of Licensing and Regulation

**LBB Staff:** JOB, CL, JRO, MW, AH

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**March 23, 2007**

**TO:** Honorable Kino Flores, Chair, House Committee on Licensing & Administrative Procedures

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB463** by Flores (relating to the regulation of air conditioning and refrigeration contracting; providing an administrative penalty.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB463, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2008	\$0
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2010	\$0
2011	\$0
2012	\$0

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable (Cost) from GENERAL REVENUE FUND 1</b>	<b>Probable Revenue Gain from GENERAL REVENUE FUND 1</b>	<b>Change in Number of State Employees from FY 2007</b>
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2010	(\$683,865)	\$683,865	12.0
2011	(\$684,188)	\$684,188	12.0
2012	(\$684,070)	\$684,070	12.0

**Fiscal Analysis**

The bill would amend the Occupations Code to provide the Department of Licensing and Regulation (TDLR) the authority to register air conditioning and refrigeration technicians and certified air conditioning and refrigeration technicians and would allow TDLR the authority to provide temporary registrations. The bill would allow TDLR to impose an administrative penalty for certain violations.

The provisions of the bill require an application fee for a new and renewal air conditioning and refrigeration technician registration.

Other than the following sections, the bill takes effect September 1, 2007. Sections 1302.501 and

1302.503, Occupations Code, take effect June 30, 2008.

### **Methodology**

Based on information provided by the Department of Licensing and Regulation (TDLR), this analysis assumes that 34,920 air conditioning and refrigeration technicians would choose to register with TDLR and an additional 1,080 would choose to be registered as certified air conditioning and refrigeration technicians.

It is estimated that TDLR would have a cost associated with registering air conditioning and refrigeration technicians and certified air conditioning and refrigeration technicians. Based on the analysis of TDLR, it is assumed that registering these technicians and regulating this industry would necessitate additional resources at a cost of \$1,438,886 through 2009.

TDLR also estimates costs for staff of \$390,540 for 12.0 FTEs in FY08 through FY12. Other operating expenses, travel, equipment, rent - building, and consumable supplies are estimated at \$254,552 in FY08, \$182,286 in FY09, \$182,841 in FY10, \$183,164 in FY11, and \$183,046 in FY12. Estimated costs also include \$110,484 in FY08 through FY12 for associated benefits.

This analysis assumes that any increased costs resulting from this bill would be offset by an increase in fee generated revenue.

### **Technology**

There would be a technology cost to the Department of Licensing and Regulation of \$30,966 in fiscal year 2008, \$1,900 in fiscal year 2009, \$2,455 in fiscal year 2010, \$2,778 in fiscal year 2011, and \$2,660 in fiscal year 2012.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 452 Department of Licensing and Regulation

**LBB Staff:** JOB, JRO, MW, AH

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**March 19, 2007**

**TO:** Honorable Kino Flores, Chair, House Committee on Licensing & Administrative Procedures

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB463** by Flores (Relating to the regulation of air conditioning and refrigeration contracting; providing an administrative penalty.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB463, As Introduced: an impact of \$0 through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2008	\$0
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**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable (Cost) from GENERAL REVENUE FUND 1</b>	<b>Probable Revenue Gain from GENERAL REVENUE FUND 1</b>	<b>Change in Number of State Employees from FY 2007</b>
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2012	(\$684,070)	\$684,070	12.0

**Fiscal Analysis**

The bill would amend the Occupations Code to provide the Department of Licensing and Regulation (TDLR) the authority to register air conditioning and refrigeration technicians and certified air conditioning and refrigeration technicians and would allow TDLR the authority to provide temporary registrations. The bill would allow TDLR to impose an administrative penalty for certain violations.

The provisions of the bill require an application fee for a new and renewal air conditioning and refrigeration technician registration.

Other than the following sections, the bill takes effect September 1, 2007. Sections 1302.501 and

1302.503, Occupations Code, take effect June 30, 2008.

### **Methodology**

Based on information provided by the Department of Licensing and Regulation (TDLR), this analysis assumes that 34,920 air conditioning and refrigeration technicians would choose to register with TDLR and an additional 1,080 would choose to be registered as certified air conditioning and refrigeration technicians.

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This analysis assumes that any increased costs resulting from this bill would be offset by an increase in fee generated revenue.

### **Technology**

There would be a technology cost to the Department of Licensing and Regulation of \$30,966 in fiscal year 2008, \$1,900 in fiscal year 2009, \$2,455 in fiscal year 2010, \$2,778 in fiscal year 2011, and \$2,660 in fiscal year 2012.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 452 Department of Licensing and Regulation

**LBB Staff:** JOB, JRO, MW, AH



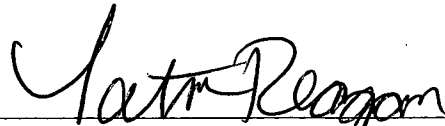
# REQUEST FOR LOCAL & UNCONTESTED CALENDAR PLACEMENT

SENATOR KIM BRIMER, CHAIRMAN  
SENATE COMMITTEE ON ADMINISTRATION

Notice is hereby given that CSHB 403, by Flores/Carona,  
(Bill No.) (Author/Sponsor)

was heard by the Committee on Business and Commerce on 5/10/07,  
2007,

and reported out with the recommendation that it be placed on the Local and Uncontested Calendar.



(Clerk of the reporting committee)

**IMPORTANT: TWO COPIES OF THIS FORM MUST BE ATTACHED TO A COMMITTEE PRINTED  
VERSION OF THE BILL OR RESOLUTION AND SHOULD BE DELIVERED TO THE ADMINISTRATION  
COMMITTEE OFFICE, E1.714. DEADLINES FOR SUBMITTING BILLS AND RESOLUTIONS WILL BE  
ANNOUNCED ON A REGULAR BASIS.**

ADOPTED <sup>KR</sup>

MAY 17 2007

*Letty Spauld*  
Secretary of the Senate *CR*  
*pu*

By: Flores/Carona H.B. No. 463

Substitute the following for H.B. No. 463:

By: Chris Harris C.S. H.B. No. 463

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of air conditioning and refrigeration contracting; providing an administrative penalty..

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1302.002, Occupations Code, is amended by adding Subdivisions (5-a), (5-b), and (17) to read as follows:

(5-a) "Air conditioning and refrigeration technician" means a person who assists a licensed air conditioning and refrigeration contractor in performing air conditioning and refrigeration maintenance work.

(5-b) "Certified technician" means a registered technician who has completed a certification examination.

(17) "Registered technician" means an air conditioning and refrigeration technician who is registered with the department.

~~SECTION 2. Section 1302.062, Occupations Code, is amended to read as follows:~~

~~Sec. 1302.062. NO LICENSE REQUIRED FOR CERTAIN ASSISTANTS. (a) A person is not required to hold a license if the person assists in air conditioning and refrigeration contracting under the supervision of a license holder.~~

~~(b) The exemption under this section does not apply to a person who assists a licensed air conditioning and refrigeration contractor in performing air conditioning and refrigeration~~

1 ~~maintenance work.~~

2 SECTION 3. Section 1302.101, Occupations Code, is amended  
3 by adding Subsection (e) to read as follows:

4 (e) The department may examine any criminal conviction,  
5 guilty plea, or deferred adjudication of an applicant for issuance  
6 or renewal of a license, including by obtaining any criminal  
7 history record information permitted by law.

8 SECTION 4. Section 1302.263, Occupations Code, is amended  
9 to read as follows:

10 Sec. 1302.263. LIMITATION ON LICENSE HOLDER OR REGISTERED  
11 TECHNICIAN. A person licensed under this chapter may not:

12 (1) perform or offer or attempt to perform an act,  
13 service, or function that is:

14 (A) ~~[(1)]~~ defined as the practice of engineering  
15 under Chapter 1001, unless the person holds a license under that  
16 chapter;

17 (B) ~~[(2)]~~ regulated under Chapter 113, Natural  
18 Resources Code, unless the person holds a license or is exempt by  
19 rule under that chapter; or

20 (C) ~~[(3)]~~ defined as plumbing, under Chapter  
21 1301, unless the person holds a license under that chapter; or

22 (2) use the services of a person who is not a  
23 registered technician or a licensed air conditioning and  
24 refrigeration contractor to assist in the performance of air  
25 conditioning and refrigeration maintenance work.

26 SECTION 5. Section 1302.401(a), Occupations Code, is  
27 amended to read as follows:

1 (a) A person is subject to the denial of an application,  
2 imposition of an administrative penalty under Subchapter F, Chapter  
3 51, or disciplinary action under Section 51.353 if the person:

4 (1) violates this chapter or a rule adopted under this  
5 chapter; or

6 (2) violates [~~is convicted of an offense under~~] a  
7 municipal ordinance adopted under Section 1302.303.

8 SECTION 6. Section 1302.402, Occupations Code, is amended  
9 to read as follows:

10 Sec. 1302.402. ADMINISTRATIVE PROCEDURES. A proceeding for  
11 the denial of a license or registration application or disciplinary  
12 action and an appeal from that proceeding are governed by Chapter  
13 2001, Government Code.

14 SECTION 7. Chapter 1302, Occupations Code, is amended by  
15 adding Subchapter K to read as follows:

16 SUBCHAPTER K. AIR CONDITIONING AND REFRIGERATION TECHNICIANS

17 Sec. 1302.501. REGISTRATION REQUIRED. (a) A person may not  
18 act or offer to act as an air conditioning and refrigeration  
19 technician unless the person is registered under this subchapter.

20 (b) A registration is valid throughout the state.

21 Sec. 1302.502. RULES. (executive director) ~~The commission~~ shall adopt rules:

22 (1) providing for the registration of technicians as  
23 prescribed by this subchapter; and

24 (2) establishing fees for issuance and renewal of a  
25 registration.

26 Sec. 1302.503. SUPERVISION REQUIREMENTS FOR REGISTRANTS.  
27 An air conditioning and refrigeration technician must be supervised

1 by an air conditioning and refrigeration contractor licensed under  
2 this chapter.

3 Sec. 1302.504. APPLICATION; FEE. (a) An applicant for  
4 registration must submit an application on a form prescribed by the  
5 commission.

6 (b) The completed application must be accompanied by the  
7 application fee.

8 Sec. 1302.505. ISSUANCE AND TERM OF REGISTRATION. (a) On  
9 receipt of a completed application, the department shall register  
10 an applicant who meets the requirements of this subchapter.

11 (b) A registration is valid for one year from the date of  
12 issuance.

13 Sec. 1302.506. TEMPORARY REGISTRATION. (a) An applicant  
14 for registration may request a temporary registration. The  
15 executive director shall issue a temporary registration that  
16 expires on the <sup>21st</sup> 10th day after the date of issuance to an applicant  
17 who meets the qualifications for temporary registration.

18 (b) The commission shall adopt rules providing for the  
19 issuance of a temporary registration under this section, including  
20 the qualifications and fee required for the registration.

21 Sec. 1302.507. RENEWAL OF REGISTRATION. To renew a  
22 registration, a registered technician must:

23 (1) submit a renewal request on a form prescribed by  
24 the executive director; and

25 (2) pay the required renewal fee.

26 Sec. 1302.508. CERTIFIED TECHNICIAN. A registered  
27 technician may be certified by the department and use the

1 designation "certified technician" if the registered technician:

2 (1) completes an application for certification on a  
3 form prescribed by the executive director;

4 (2) pays the application fee; and

5 (3) provides the department with proof that the  
6 registered technician successfully completed a nationally  
7 recognized and administered certification examination or another  
8 examination of equal or greater difficulty approved by the  
9 department.

10 SECTION <sup>7</sup>~~8~~. Not later than December 31, 2007, the Texas  
11 Commission of Licensing and Regulation shall adopt rules  
12 implementing Subchapter K, Chapter 1302, Occupations Code, as added  
13 by this Act.

14 SECTION <sup>8</sup>~~9~~. (a) Except as provided by Subsection (b) of this  
15 section, this Act takes effect September 1, 2007.

16 (b) ~~Section 1302.062, Occupations Code, as amended by this~~  
17 ~~Act, and Sections 1302.501 and 1302.503, Occupations Code, as added~~  
18 by this Act, take effect June 30, 2008.

ADOPTED <sup>KAF</sup>

MAY 17 2007 <sup>W</sup>

*Lotay*  
Secretary of the Senate *Carmon*

FLOOR AMENDMENT NO. 1

Amend C.S.H.B. No. 463 (senate committee report) as follows:

✓(1) Strike SECTION 2 of the bill (page 1, lines <sup>16</sup>24 through 33) and renumber remaining SECTIONS accordingly.

✓(2) In SECTION 7 of the bill, in added Section 1302.502, Occupations Code (page <sup>3</sup>2, line <sup>21</sup>17), strike "commission" and substitute "executive director".

✓(3) In SECTION 7 of the bill, in added Subsection (a), Section 1302.506, Occupations Code (page <sup>4</sup>2, line <sup>16</sup>39), strike "10th" and substitute "21st".

✓(4) In Subsection (b), SECTION 9, of the bill (page <sup>5</sup>2, lines <sup>1</sup>66 and <sup>1</sup>67), strike "Section 1302.062, Occupations Code, as amended by this Act, and".

# SENATE AMENDMENTS

07 MAY 17 PM 5:25

2<sup>nd</sup> Printing

HOUSE OF REPRESENTATIVES

By: Flores

H.B. No. 463

## A BILL TO BE ENTITLED

### AN ACT

relating to the regulation of air conditioning and refrigeration contracting; providing an administrative penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1302.002, Occupations Code, is amended by adding Subdivisions (5-a), (5-b), and (17) to read as follows:

(5-a) "Air conditioning and refrigeration technician" means a person who assists a licensed air conditioning and refrigeration contractor in performing air conditioning and refrigeration maintenance work.

(5-b) "Certified technician" means a registered technician who has completed a certification examination.

(17) "Registered technician" means an air conditioning and refrigeration technician who is registered with the department.

SECTION 2. Section 1302.101, Occupations Code, is amended by adding Subsection (e) to read as follows:

(e) The department may examine any criminal conviction, guilty plea, or deferred adjudication of an applicant for issuance or renewal of a license, including by obtaining any criminal history record information permitted by law.

SECTION 3. Section 1302.263, Occupations Code, is amended to read as follows:

Sec. 1302.263. LIMITATION ON LICENSE HOLDER OR REGISTERED



1 TECHNICIAN. A person licensed under this chapter may not:

2           (1) perform or offer or attempt to perform an act,  
3 service, or function that is:

4           (A) [~~1~~] defined as the practice of engineering  
5 under Chapter 1001, unless the person holds a license under that  
6 chapter;

7           (B) [~~2~~] regulated under Chapter 113, Natural  
8 Resources Code, unless the person holds a license or is exempt by  
9 rule under that chapter; or

10           (C) [~~3~~] defined as plumbing under Chapter  
11 1301, unless the person holds a license under that chapter; or

12           (2) use the services of a person who is not a  
13 registered technician or a licensed air conditioning and  
14 refrigeration contractor to assist in the performance of air  
15 conditioning and refrigeration maintenance work.

16       SECTION 4. Section 1302.401(a), Occupations Code, is  
17 amended to read as follows:

18       (a) A person is subject to the denial of an application,  
19 imposition of an administrative penalty under Subchapter F, Chapter  
20 51, or disciplinary action under Section 51.353 if the person:

21           (1) violates this chapter or a rule adopted under this  
22 chapter; or

23           (2) violates [~~is convicted of an offense under~~] a  
24 municipal ordinance adopted under Section 1302.303.

25       SECTION 5. Section 1302.402, Occupations Code, is amended  
26 to read as follows:

27       Sec. 1302.402. ADMINISTRATIVE PROCEDURES. A proceeding for

1 the denial of a license or registration application or disciplinary  
2 action and an appeal from that proceeding are governed by Chapter  
3 2001, Government Code.

4 SECTION 6. Chapter 1302, Occupations Code, is amended by  
5 adding Subchapter K to read as follows:

6 SUBCHAPTER K. AIR CONDITIONING AND REFRIGERATION TECHNICIANS

7 Sec. 1302.501. REGISTRATION REQUIRED. (a) A person may not  
8 act or offer to act as an air conditioning and refrigeration  
9 technician unless the person is registered under this subchapter.

10 (b) A registration is valid throughout the state.

11 Sec. 1302.502. RULES. The executive director shall adopt  
12 rules:

13 (1) providing for the registration of technicians as  
14 prescribed by this subchapter; and

15 (2) establishing fees for issuance and renewal of a  
16 registration.

17 Sec. 1302.503. SUPERVISION REQUIREMENTS FOR REGISTRANTS.  
18 An air conditioning and refrigeration technician must be supervised  
19 by an air conditioning and refrigeration contractor licensed under  
20 this chapter.

21 Sec. 1302.504. APPLICATION; FEE. (a) An applicant for  
22 registration must submit an application on a form prescribed by the  
23 commission.

24 (b) The completed application must be accompanied by the  
25 application fee.

26 Sec. 1302.505. ISSUANCE AND TERM OF REGISTRATION. (a) On  
27 receipt of a completed application, the department shall register

1 an applicant who meets the requirements of this subchapter.

2 (b) A registration is valid for one year from the date of  
3 issuance.

4 Sec. 1302.506. TEMPORARY REGISTRATION. (a) An applicant  
5 for registration may request a temporary registration. The  
6 executive director shall issue a temporary registration that  
7 expires on the 21st day after the date of issuance to an applicant  
8 who meets the qualifications for temporary registration.

9 (b) The commission shall adopt rules providing for the  
10 issuance of a temporary registration under this section, including  
11 the qualifications and fee required for the registration.

12 Sec. 1302.507. RENEWAL OF REGISTRATION. To renew a  
13 registration, a registered technician must:

14 (1) submit a renewal request on a form prescribed by  
15 the executive director; and

16 (2) pay the required renewal fee.

17 Sec. 1302.508. CERTIFIED TECHNICIAN. A registered  
18 technician may be certified by the department and use the  
19 designation "certified technician" if the registered technician:

20 (1) completes an application for certification on a  
21 form prescribed by the executive director;

22 (2) pays the application fee; and

23 (3) provides the department with proof that the  
24 registered technician successfully completed a nationally  
25 recognized and administered certification examination or another  
26 examination of equal or greater difficulty approved by the  
27 department.

1           SECTION 7. Not later than December 31, 2007, the Texas  
2 Commission of Licensing and Regulation shall adopt rules  
3 implementing Subchapter K, Chapter 1302, Occupations Code, as added  
4 by this Act.

5           SECTION 8. (a) Except as provided by Subsection (b) of this  
6 section, this Act takes effect September 1, 2007.

7           (b) Sections 1302.501 and 1302.503, Occupations Code, as  
8 added by this Act, take effect June 30, 2008.

ADOPTED

MAY 17 2007

*Atty. Gen.*  
Secretary of the Senate

By: Flores/Carona

H.B. No. 463

Substitute the following for H.B. No. 463:

By: Chris Harris

C.S. H.B. No. 463

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of air conditioning and refrigeration contracting; providing an administrative penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1302.002, Occupations Code, is amended by adding Subdivisions (5-a), (5-b), and (17) to read as follows:

(5-a) "Air conditioning and refrigeration technician" means a person who assists a licensed air conditioning and refrigeration contractor in performing air conditioning and refrigeration maintenance work.

(5-b) "Certified technician" means a registered technician who has completed a certification examination.

(17) "Registered technician" means an air conditioning and refrigeration technician who is registered with the department.

SECTION 2. Section 1302.062, Occupations Code, is amended to read as follows:

Sec. 1302.062. NO LICENSE REQUIRED FOR CERTAIN ASSISTANTS. (a) A person is not required to hold a license if the person assists in air conditioning and refrigeration contracting under the supervision of a license holder.

(b) The exemption under this section does not apply to a person who assists a licensed air conditioning and refrigeration contractor in performing air conditioning and refrigeration

1 maintenance work.

2 SECTION 3. Section 1302.101, Occupations Code, is amended  
3 by adding Subsection (e) to read as follows:

4 (e) The department may examine any criminal conviction,  
5 guilty plea, or deferred adjudication of an applicant for issuance  
6 or renewal of a license, including by obtaining any criminal  
7 history record information permitted by law.

8 SECTION 4. Section 1302.263, Occupations Code, is amended  
9 to read as follows:

10 Sec. 1302.263. LIMITATION ON LICENSE HOLDER OR REGISTERED  
11 TECHNICIAN. A person licensed under this chapter may not:

12 (1) perform or offer or attempt to perform an act,  
13 service, or function that is:

14 (A) ~~[(1)]~~ defined as the practice of engineering  
15 under Chapter 1001, unless the person holds a license under that  
16 chapter;

17 (B) ~~[(2)]~~ regulated under Chapter 113, Natural  
18 Resources Code, unless the person holds a license or is exempt by  
19 rule under that chapter; or

20 (C) ~~[(3)]~~ defined as plumbing under Chapter  
21 1301, unless the person holds a license under that chapter; or

22 (2) use the services of a person who is not a  
23 registered technician or a licensed air conditioning and  
24 refrigeration contractor to assist in the performance of air  
25 conditioning and refrigeration maintenance work.

26 SECTION 5. Section 1302.401(a), Occupations Code, is  
27 amended to read as follows:

1 (a) A person is subject to the denial of an application,  
2 imposition of an administrative penalty under Subchapter F, Chapter  
3 51, or disciplinary action under Section 51.353 if the person:

4 (1) violates this chapter or a rule adopted under this  
5 chapter; or

6 (2) violates [~~is convicted of an offense under~~] a  
7 municipal ordinance adopted under Section 1302.303.

8 SECTION 6. Section 1302.402, Occupations Code, is amended  
9 to read as follows:

10 Sec. 1302.402. ADMINISTRATIVE PROCEDURES. A proceeding for  
11 the denial of a license or registration application or disciplinary  
12 action and an appeal from that proceeding are governed by Chapter  
13 2001, Government Code.

14 SECTION 7. Chapter 1302, Occupations Code, is amended by  
15 adding Subchapter K to read as follows:

16 SUBCHAPTER K. AIR CONDITIONING AND REFRIGERATION TECHNICIANS

17 Sec. 1302.501. REGISTRATION REQUIRED. (a) A person may not  
18 act or offer to act as an air conditioning and refrigeration  
19 technician unless the person is registered under this subchapter.

20 (b) A registration is valid throughout the state.

21 Sec. 1302.502. RULES. The commission shall adopt rules:

22 (1) providing for the registration of technicians as  
23 prescribed by this subchapter; and

24 (2) establishing fees for issuance and renewal of a  
25 registration.

26 Sec. 1302.503. SUPERVISION REQUIREMENTS FOR REGISTRANTS.  
27 An air conditioning and refrigeration technician must be supervised

1 by an air conditioning and refrigeration contractor licensed under  
2 this chapter.

3 Sec. 1302.504. APPLICATION; FEE. (a) An applicant for  
4 registration must submit an application on a form prescribed by the  
5 commission.

6 (b) The completed application must be accompanied by the  
7 application fee.

8 Sec. 1302.505. ISSUANCE AND TERM OF REGISTRATION. (a) On  
9 receipt of a completed application, the department shall register  
10 an applicant who meets the requirements of this subchapter.

11 (b) A registration is valid for one year from the date of  
12 issuance.

13 Sec. 1302.506. TEMPORARY REGISTRATION. (a) An applicant  
14 for registration may request a temporary registration. The  
15 executive director shall issue a temporary registration that  
16 expires on the 10th day after the date of issuance to an applicant  
17 who meets the qualifications for temporary registration.

18 (b) The commission shall adopt rules providing for the  
19 issuance of a temporary registration under this section, including  
20 the qualifications and fee required for the registration.

21 Sec. 1302.507. RENEWAL OF REGISTRATION. To renew a  
22 registration, a registered technician must:

23 (1) submit a renewal request on a form prescribed by  
24 the executive director; and

25 (2) pay the required renewal fee.

26 Sec. 1302.508. CERTIFIED TECHNICIAN. A registered  
27 technician may be certified by the department and use the



1 designation "certified technician" if the registered technician:

2 (1) completes an application for certification on a  
3 form prescribed by the executive director;

4 (2) pays the application fee; and

5 (3) provides the department with proof that the  
6 registered technician successfully completed a nationally  
7 recognized and administered certification examination or another  
8 examination of equal or greater difficulty approved by the  
9 department.

10 SECTION 8. Not later than December 31, 2007, the Texas  
11 Commission of Licensing and Regulation shall adopt rules  
12 implementing Subchapter K, Chapter 1302, Occupations Code, as added  
13 by this Act.

14 SECTION 9. (a) Except as provided by Subsection (b) of this  
15 section, this Act takes effect September 1, 2007.

16 (b) Section 1302.062, Occupations Code, as amended by this  
17 Act, and Sections 1302.501 and 1302.503, Occupations Code, as added  
18 by this Act, take effect June 30, 2008.

ADOPTED

MAY 17 2007

*Letty Sped Carmon*  
Secretary of the Senate

FLOOR AMENDMENT NO. 1

Amend C.S.H.B. No. 463 (senate committee report) as follows:

(1) Strike SECTION 2 of the bill (page 1, lines 24 through 33) and renumber remaining SECTIONS accordingly.

(2) In SECTION 7 of the bill, in added Section 1302.502, Occupations Code (page 2, line 17), strike "commission" and substitute "executive director".

(3) In SECTION 7 of the bill, in added Subsection (a), Section 1302.506, Occupations Code (page 2, line 39), strike "10th" and substitute "21st".

(4) In Subsection (b), SECTION 9, of the bill (page 2, lines 66 and 67), strike "Section 1302.062, Occupations Code, as amended by this Act, and".

**LEGISLATIVE BUDGET BOARD**

Austin, Texas

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 11, 2007**

**TO:** Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB463** by Flores (Relating to the regulation of air conditioning and refrigeration contracting; providing an administrative penalty. ), **Committee Report 2nd House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB463, Committee Report 2nd House, Substituted: an impact of \$0 through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1	Probable Revenue Gain from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2007
2008	(\$755,576)	\$755,576	12.0
2009	(\$683,310)	\$683,310	12.0
2010	(\$683,865)	\$683,865	12.0
2011	(\$684,188)	\$684,188	12.0
2012	(\$684,070)	\$684,070	12.0

**Fiscal Analysis**

The bill would amend the Occupations Code to provide the Department of Licensing and Regulation (TDLR) the authority to register air conditioning and refrigeration technicians and certified air conditioning and refrigeration technicians and would allow TDLR the authority to provide temporary registrations. The bill would allow TDLR to impose an administrative penalty for certain violations.

The provisions of the bill require an application fee for a new and renewal air conditioning and refrigeration technician registration.

Other than the following sections, the bill takes effect September 1, 2007. Sections 1302.062,

1302.501 and 1302.503, Occupations Code, take effect June 30, 2008.

### **Methodology**

Based on information provided by the Department of Licensing and Regulation (TDLR), this analysis assumes that 34,920 air conditioning and refrigeration technicians would choose to register with TDLR and an additional 1,080 would choose to be registered as certified air conditioning and refrigeration technicians.

It is estimated that TDLR would have a cost associated with registering air conditioning and refrigeration technicians and certified air conditioning and refrigeration technicians. Based on the analysis of TDLR, it is assumed that registering these technicians and regulating this industry would necessitate additional resources at a cost of \$1,438,886 through 2009.

TDLR also estimates costs for staff of \$390,540 for 12.0 FTEs in FY08 through FY12. Other operating expenses, travel, equipment, rent - building, and consumable supplies are estimated at \$254,552 in FY08, \$182,286 in FY09, \$182,841 in FY10, \$183,164 in FY11, and \$183,046 in FY12. Estimated costs also include \$110,484 in FY08 through FY12 for associated benefits.

This analysis assumes that any increased costs resulting from this bill would be offset by an increase in fee generated revenue.

### **Technology**

There would be a technology cost to the Department of Licensing and Regulation of \$30,966 in fiscal year 2008, \$1,900 in fiscal year 2009, \$2,455 in fiscal year 2010, \$2,778 in fiscal year 2011, and \$2,660 in fiscal year 2012.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 452 Department of Licensing and Regulation

**LBB Staff:** JOB, CL, JRO, MW, AH

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 19, 2007**

**TO:** Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB463** by Flores (Relating to the regulation of air conditioning and refrigeration contracting; providing an administrative penalty.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds for HB463, As Engrossed:** an impact of \$0 through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable (Cost) from GENERAL REVENUE FUND 1</b>	<b>Probable Revenue Gain from GENERAL REVENUE FUND 1</b>	<b>Change in Number of State Employees from FY 2007</b>
2008	(\$755,576)	\$755,576	12.0
2009	(\$683,310)	\$683,310	12.0
2010	(\$683,865)	\$683,865	12.0
2011	(\$684,188)	\$684,188	12.0
2012	(\$684,070)	\$684,070	12.0

**Fiscal Analysis**

The bill would amend the Occupations Code to provide the Department of Licensing and Regulation (TDLR) the authority to register air conditioning and refrigeration technicians and certified air conditioning and refrigeration technicians and would allow TDLR the authority to provide temporary registrations. The bill would allow TDLR to impose an administrative penalty for certain violations.

The provisions of the bill require an application fee for a new and renewal air conditioning and refrigeration technician registration.

Other than the following sections, the bill takes effect September 1, 2007. Sections 1302.501 and

1302.503, Occupations Code, take effect June 30, 2008.

### **Methodology**

Based on information provided by the Department of Licensing and Regulation (TDLR), this analysis assumes that 34,920 air conditioning and refrigeration technicians would choose to register with TDLR and an additional 1,080 would choose to be registered as certified air conditioning and refrigeration technicians.

It is estimated that TDLR would have a cost associated with registering air conditioning and refrigeration technicians and certified air conditioning and refrigeration technicians. Based on the analysis of TDLR, it is assumed that registering these technicians and regulating this industry would necessitate additional resources at a cost of \$1,438,886 through 2009.

TDLR also estimates costs for staff of \$390,540 for 12.0 FTEs in FY08 through FY12. Other operating expenses, travel, equipment, rent - building, and consumable supplies are estimated at \$254,552 in FY08, \$182,286 in FY09, \$182,841 in FY10, \$183,164 in FY11, and \$183,046 in FY12. Estimated costs also include \$110,484 in FY08 through FY12 for associated benefits.

This analysis assumes that any increased costs resulting from this bill would be offset by an increase in fee generated revenue.

### **Technology**

There would be a technology cost to the Department of Licensing and Regulation of \$30,966 in fiscal year 2008, \$1,900 in fiscal year 2009, \$2,455 in fiscal year 2010, \$2,778 in fiscal year 2011, and \$2,660 in fiscal year 2012.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 452 Department of Licensing and Regulation

**LBB Staff:** JOB, CL, JRO, MW, AH

**LEGISLATIVE BUDGET BOARD**

Austin, Texas

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**March 23, 2007**

**TO:** Honorable Kino Flores, Chair, House Committee on Licensing & Administrative Procedures

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB463** by Flores (relating to the regulation of air conditioning and refrigeration contracting; providing an administrative penalty.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB463, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1	Probable Revenue Gain from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2007
2008	(\$755,576)	\$755,576	12.0
2009	(\$683,310)	\$683,310	12.0
2010	(\$683,865)	\$683,865	12.0
2011	(\$684,188)	\$684,188	12.0
2012	(\$684,070)	\$684,070	12.0

**Fiscal Analysis**

The bill would amend the Occupations Code to provide the Department of Licensing and Regulation (TDLR) the authority to register air conditioning and refrigeration technicians and certified air conditioning and refrigeration technicians and would allow TDLR the authority to provide temporary registrations. The bill would allow TDLR to impose an administrative penalty for certain violations.

The provisions of the bill require an application fee for a new and renewal air conditioning and refrigeration technician registration.

Other than the following sections, the bill takes effect September 1, 2007. Sections 1302.501 and

1302.503, Occupations Code, take effect June 30, 2008.

### **Methodology**

Based on information provided by the Department of Licensing and Regulation (TDLR), this analysis assumes that 34,920 air conditioning and refrigeration technicians would choose to register with TDLR and an additional 1,080 would choose to be registered as certified air conditioning and refrigeration technicians.

It is estimated that TDLR would have a cost associated with registering air conditioning and refrigeration technicians and certified air conditioning and refrigeration technicians. Based on the analysis of TDLR, it is assumed that registering these technicians and regulating this industry would necessitate additional resources at a cost of \$1,438,886 through 2009.

TDLR also estimates costs for staff of \$390,540 for 12.0 FTEs in FY08 through FY12. Other operating expenses, travel, equipment, rent - building, and consumable supplies are estimated at \$254,552 in FY08, \$182,286 in FY09, \$182,841 in FY10, \$183,164 in FY11, and \$183,046 in FY12. Estimated costs also include \$110,484 in FY08 through FY12 for associated benefits.

This analysis assumes that any increased costs resulting from this bill would be offset by an increase in fee generated revenue.

### **Technology**

There would be a technology cost to the Department of Licensing and Regulation of \$30,966 in fiscal year 2008, \$1,900 in fiscal year 2009, \$2,455 in fiscal year 2010, \$2,778 in fiscal year 2011, and \$2,660 in fiscal year 2012.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 452 Department of Licensing and Regulation

**LBB Staff:** JOB, JRO, MW, AH



**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**March 19, 2007**

**TO:** Honorable Kino Flores, Chair, House Committee on Licensing & Administrative Procedures

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB463** by Flores (Relating to the regulation of air conditioning and refrigeration contracting; providing an administrative penalty.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds for HB463, As Introduced:** an impact of \$0 through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable (Cost) from GENERAL REVENUE FUND 1</b>	<b>Probable Revenue Gain from GENERAL REVENUE FUND 1</b>	<b>Change in Number of State Employees from FY 2007</b>
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**Fiscal Analysis**

The bill would amend the Occupations Code to provide the Department of Licensing and Regulation (TDLR) the authority to register air conditioning and refrigeration technicians and certified air conditioning and refrigeration technicians and would allow TDLR the authority to provide temporary registrations. The bill would allow TDLR to impose an administrative penalty for certain violations.

The provisions of the bill require an application fee for a new and renewal air conditioning and refrigeration technician registration.

Other than the following sections, the bill takes effect September 1, 2007. Sections 1302.501 and

1302.503, Occupations Code, take effect June 30, 2008.

### **Methodology**

Based on information provided by the Department of Licensing and Regulation (TDLR), this analysis assumes that 34,920 air conditioning and refrigeration technicians would choose to register with TDLR and an additional 1,080 would choose to be registered as certified air conditioning and refrigeration technicians.

It is estimated that TDLR would have a cost associated with registering air conditioning and refrigeration technicians and certified air conditioning and refrigeration technicians. Based on the analysis of TDLR, it is assumed that registering these technicians and regulating this industry would necessitate additional resources at a cost of \$1,438,886 through 2009.

TDLR also estimates costs for staff of \$390,540 for 12.0 FTEs in FY08 through FY12. Other operating expenses, travel, equipment, rent - building, and consumable supplies are estimated at \$254,552 in FY08, \$182,286 in FY09, \$182,841 in FY10, \$183,164 in FY11, and \$183,046 in FY12. Estimated costs also include \$110,484 in FY08 through FY12 for associated benefits.

This analysis assumes that any increased costs resulting from this bill would be offset by an increase in fee generated revenue.

### **Technology**

There would be a technology cost to the Department of Licensing and Regulation of \$30,966 in fiscal year 2008, \$1,900 in fiscal year 2009, \$2,455 in fiscal year 2010, \$2,778 in fiscal year 2011, and \$2,660 in fiscal year 2012.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 452 Department of Licensing and Regulation

**LBB Staff:** JOB, JRO, MW, AH

## ENROLLMENT

H.B. No. 463

### AN ACT

relating to the regulation of air conditioning and refrigeration contracting; providing an administrative penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1302.002, Occupations Code, is amended by adding Subdivisions (5-a), (5-b), and (17) to read as follows:

(5-a) "Air conditioning and refrigeration technician" means a person who assists a licensed air conditioning and refrigeration contractor in performing air conditioning and refrigeration maintenance work.

(5-b) "Certified technician" means a registered technician who has completed a certification examination.

(17) "Registered technician" means an air conditioning and refrigeration technician who is registered with the department.

SECTION 2. Section 1302.101, Occupations Code, is amended by adding Subsection (e) to read as follows:

(e) The department may examine any criminal conviction, guilty plea, or deferred adjudication of an applicant for issuance or renewal of a license, including by obtaining any criminal history record information permitted by law.

SECTION 3. Section 1302.263, Occupations Code, is amended to read as follows:

Sec. 1302.263. LIMITATION ON LICENSE HOLDER OR REGISTERED

1 TECHNICIAN. A person licensed under this chapter may not:

2           (1) perform or offer or attempt to perform an act,  
3 service, or function that is:

4           (A) [~~1~~] defined as the practice of engineering  
5 under Chapter 1001, unless the person holds a license under that  
6 chapter;

7           (B) [~~2~~] regulated under Chapter 113, Natural  
8 Resources Code, unless the person holds a license or is exempt by  
9 rule under that chapter; or

10           (C) [~~3~~] defined as plumbing under Chapter  
11 1301, unless the person holds a license under that chapter; or

12           (2) use the services of a person who is not a  
13 registered technician or a licensed air conditioning and  
14 refrigeration contractor to assist in the performance of air  
15 conditioning and refrigeration maintenance work.

16           SECTION 4. Section 1302.401(a), Occupations Code, is  
17 amended to read as follows:

18           (a) A person is subject to the denial of an application,  
19 imposition of an administrative penalty under Subchapter F, Chapter  
20 51, or disciplinary action under Section 51.353 if the person:

21           (1) violates this chapter or a rule adopted under this  
22 chapter; or

23           (2) violates [~~is convicted of an offense under~~] a  
24 municipal ordinance adopted under Section 1302.303.

25           SECTION 5. Section 1302.402, Occupations Code, is amended  
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27           Sec. 1302.402. ADMINISTRATIVE PROCEDURES. A proceeding for

1 the denial of a license or registration application or disciplinary  
2 action and an appeal from that proceeding are governed by Chapter  
3 2001, Government Code.

4 SECTION 6. Chapter 1302, Occupations Code, is amended by  
5 adding Subchapter K to read as follows:

6 SUBCHAPTER K. AIR CONDITIONING AND REFRIGERATION TECHNICIANS

7 Sec. 1302.501. REGISTRATION REQUIRED. (a) A person may not  
8 act or offer to act as an air conditioning and refrigeration  
9 technician unless the person is registered under this subchapter.

10 (b) A registration is valid throughout the state.

11 Sec. 1302.502. RULES. The executive director shall adopt  
12 rules:

13 (1) providing for the registration of technicians as  
14 prescribed by this subchapter; and

15 (2) establishing fees for issuance and renewal of a  
16 registration.

17 Sec. 1302.503. SUPERVISION REQUIREMENTS FOR REGISTRANTS.  
18 An air conditioning and refrigeration technician must be supervised  
19 by an air conditioning and refrigeration contractor licensed under  
20 this chapter.

21 Sec. 1302.504. APPLICATION; FEE. (a) An applicant for  
22 registration must submit an application on a form prescribed by the  
23 commission.

24 (b) The completed application must be accompanied by the  
25 application fee.

26 Sec. 1302.505. ISSUANCE AND TERM OF REGISTRATION. (a) On  
27 receipt of a completed application, the department shall register

1 an applicant who meets the requirements of this subchapter.

2 (b) A registration is valid for one year from the date of  
3 issuance.

4 Sec. 1302.506. TEMPORARY REGISTRATION. (a) An applicant  
5 for registration may request a temporary registration. The  
6 executive director shall issue a temporary registration that  
7 expires on the 21st day after the date of issuance to an applicant  
8 who meets the qualifications for temporary registration.

9 (b) The commission shall adopt rules providing for the  
10 issuance of a temporary registration under this section, including  
11 the qualifications and fee required for the registration.

12 Sec. 1302.507. RENEWAL OF REGISTRATION. To renew a  
13 registration, a registered technician must:

14 (1) submit a renewal request on a form prescribed by  
15 the executive director; and

16 (2) pay the required renewal fee.

17 Sec. 1302.508. CERTIFIED TECHNICIAN. A registered  
18 technician may be certified by the department and use the  
19 designation "certified technician" if the registered technician:

20 (1) completes an application for certification on a  
21 form prescribed by the executive director;

22 (2) pays the application fee; and

23 (3) provides the department with proof that the  
24 registered technician successfully completed a nationally  
25 recognized and administered certification examination or another  
26 examination of equal or greater difficulty approved by the  
27 department.

1           SECTION 7. Not later than December 31, 2007, the Texas  
2 Commission of Licensing and Regulation shall adopt rules  
3 implementing Subchapter K, Chapter 1302, Occupations Code, as added  
4 by this Act.

5           SECTION 8. (a) Except as provided by Subsection (b) of this  
6 section, this Act takes effect September 1, 2007.

7           (b) Sections 1302.501 and 1302.503, Occupations Code, as  
8 added by this Act, take effect June 30, 2008.

H.B. No. 463

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President of the Senate

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Speaker of the House

I certify that H.B. No. 463 was passed by the House on April 13, 2007, by the following vote: Yeas 143, Nays 0, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 463 on May 26, 2007, by the following vote: Yeas 140, Nays 1, 2 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 463 was passed by the Senate, with amendments, on May 17, 2007, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

---

Governor



\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I certify that H.B. No. 463<sup>✓</sup> was passed by the House on  
(1)

April 13<sup>✓</sup>  
(2)

, 2007, by the following vote:

Yeas 143<sup>✓</sup>, Nays 0<sup>✓</sup>, 2<sup>✓</sup> present, not voting  
(3) (4)

and that the House concurred in Senate amendments to H.B. No. 463<sup>✓</sup>  
on May 26<sup>✓</sup>, 2007, by the following vote:  
(5)

Yeas 140<sup>✓</sup>, Nays 1<sup>✓</sup>, 2<sup>✓</sup> present, not voting  
(6) (7)

\_\_\_\_\_  
Chief Clerk of the House

\*\*\*\* Preparation: CT31

I certify that H.B. No. 463<sup>✓</sup> was passed by the Senate, with  
(1)

amendments, on May 17<sup>✓</sup>, 2007, by the  
(2)

following vote: Yeas 31<sup>✓</sup>, Nays 0<sup>✓</sup>  
(3) (4)

\_\_\_\_\_  
Secretary of the Senate

APPROVED:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor

\*\*\*\* Preparation: CT32

H.B. No. 463

A BILL TO BE ENTITLED  
AN ACT

By How

relating to the regulation of air conditioning and refrigeration contracting; providing an administrative penalty.

JAN 04 2007

Filed with the Chief Clerk

FEB 05 2007

Read first time and referred to Committee on Licensing & Administrative Procedures

MAR 20 2007

Reported favorably ~~(as amended)~~  
(as substituted)

MAR 30 2007

Sent to Committee on ~~(amended)~~  
(Local & Consent Calendars)

APR 13 2007

Read second time (comm. subst.) ~~(amended)~~; passed to third reading ~~(amended)~~ by a (non-record vote)  
~~(record vote of 143 yeas, 0 nays, 2 present, not voting)~~

Constitutional rule requiring bills to be read on three several days suspended (failed to suspend)  
by a vote of 143 yeas, 0 nays, 2 present, not voting

APR 13 2007

Read third time ~~(amended)~~; finally passed ~~(amended)~~ by a ~~(non-record vote)~~  
(record vote of 143 yeas, 0 nays, 2 present, not voting)

APR 16 2007

Engrossed

APR 16 2007

Sent to Senate

Robert Haney  
CHIEF CLERK OF THE HOUSE

OTHER HOUSE ACTION:

APR 16 2007

Received from the House

BUSINESS AND  
COMMERCE

APR 17 2007

Read and referred to Committee on \_\_\_\_\_

Reported favorably \_\_\_\_\_

MAY 14 2007

Reported adversely, with favorable Committee Substitute; Committee Substitute read first time

Ordered not printed

Laid before the Senate

MAY 17 2007

Senate and Constitutional Rules to permit consideration suspended by (unanimous consent)  
(       yeas,        nays)

MAY 17 2007

Read second time, Amended, and passed to third reading by (unanimous consent)  
(       yeas,        nays)  
(a viva voce vote)

MAY 17 2007

Senate and Constitutional 3 Day Rules suspended by a vote of 31 yeas, 0 nays

MAY 17 2007

Read third time, \_\_\_\_\_, and passed by a (viva voce vote)  
(31 yeas, 0 nays)

AMEND CAPTION TO CONFORM  
TO THE BODY OF THE BILL

Returned to the House

Patsy Spaw  
SECRETARY OF THE SENATE

OTHER SENATE ACTION:

**MAY 17 2007**

Returned from the Senate (as substituted)  
(with amendments)

House concurred in Senate amendments by a (non-record vote)  
(record vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present, not voting)

**MAY 22 2007**

House refused to concur in Senate amendments and requested the appointment of a conference committee  
by a (non-record vote) (~~record vote of~~ \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present, not voting)

**MAY 22 2007**

House conferees appointed: Flores, Chair; Bailey,  
Hamilton, Green, Thompson

**MAY 24 2007**

Senate granted House request. Senate conferees appointed: Carona, Chair;  
Brimer, Fraser, Watson, Wentworth

Conference committee report adopted (rejected) by the House by a (non-record vote)  
(record vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present, not voting)

Conference committee report adopted (rejected) by the Senate by a (viva voce vote)  
(record vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays)

**MAY 26 2007**

House ~~discharges~~ conferees and concurs with Senate amendments  
by a record vote of yeas 140 nays 1 prv 2

07 MAY 17 PM 5:25

HOUSE OF REPRESENTATIVES

07 MAR 30 AM 2:07

HOUSE OF REPRESENTATIVES